

Message Text

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ORIGIN XMB-04

INFO OCT-01 EA-09 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /065 R

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EA/PHL:RWILLNER (INFO)

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R 101559Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

UNCLAS STATE 242030

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: NUCLEAR POWER PROJECT

REFERENCE: STATE 231924

1. NEGOTIATIONS BETWEEN PHILIPPINE FINANCIAL TEAM AND EXIMBANK SATISFACTORILY CONCLUDED OCTOBER 9, 1975. WHILE PHILIPPINE NEGOTIATING TEAM MUST AWAIT FORMAL APPROVAL BY GOP, FINANCIAL PATTERN TENTATIVELY ACCEPTED FOLLOWS: 10 PERCENT CASH PAYMENT OR APPROXIMATELY DOLS 62 MILLION; EXIMBANK DIRECT CREDIT OF 45 PERCENT OR ABOUT DOLS 278 MILLION AT 8-1/2 PERCENT PER ANNUM PLUS COMMITMENT FEE OF 1/2 OF 1 PERCENT PER ANNUM; FINANCIAL GUARANTEE OF 45 PERCENT OR DOLS 278 MILLION AT 1 PERCENT PER

ANNUM PLUS COMMITMENT FEE OF 1/8 OF 1 PERCENT PER ANNUM. EXIMBANK AGREED TO FINANCIAL GUARANTEE FOR CAPITALIZED INTEREST NOT TO EXCEED DOLS 90 MILLION. EXIMBANK EXPOSURE IN THIS PROJECT ALONE WOULD BE ABOUT DOLS 645 MILLION. IN VIEW OF ADJUSTMENTS TO UNCLASSIFIED

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FINANCIAL PATTERN, MOST FIGURES ARE ESTIMATES BUT TOTAL COST OF

PROJECT WILL BE ABOUT DOLS 1.1 BILLION. BANK CONSORTIUM TO ATTEMPT TO FUND ABOUT DOLS 250 MILLION PHILIPPINE RISK PAPER. EXIMBANK REQUESTED PHILIPPINE TEAM TO RESUBMIT FINAL FIGURES AND PROMISED EXPEDITIOUS HANDLING. FILIPINOS CAUTIONED, HOWEVER, THAT IN VIEW OF MAGNITUDE OF CASE, CONGRESSIONAL REVIEW IS MANDATORY.

2. EXIMBANK STILL CONCERNED ABOUT WESTINGHOUSE PRICING OF UNIT AND PLANS MEETING WITH SENIOR WESTINGHOUSE OFFICIALS OCTOBER 14 TO REVIEW CONTRACT IN DETAIL. DETAILED LETTER FROM CHAIRMAN CASEY TO AMBASSADOR SULLIVAN TO FOLLOW.
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, NEGOTIATIONS, NUCLEAR POWER PLANTS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE242030
Document Source: CORE
Document Unique ID: 00
Drafter: RICHARD D. CRAFTON
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750354-0501
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751065/aaaacqf.tel
Line Count: 73
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 231924
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 27 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 OCT 2003 by MaustMC>; APPROVED <03 FEB 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR POWER PROJECT
TAGS: EFIN, RP, XMB
To: MANILA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006